

tributed entirely by the letter postage in this manner: By law two cents each is allowed every postmaster for the delivery of a free letter or package if his income does not exceed \$2,000 per annum. The proportion of these free papers delivered by postmasters of \$2,000 income, will not exceed one-tenth. Two cents each on the foregoing number, deducting one-tenth, was \$93,611, which is actually paid to postmasters for delivering this free matter, but the Government has not received for this service. It appears that for the delivery of nine-tenths of the millions of printed speeches, franked and transported in the mails, without compensation, (the printing of which cost about one cent each,) there is paid two cents each, not by

the person who sends, or by the person who receives it, or by the country as for a public service, but by those who pay postage on their private correspondence. Congress is to decide whether the franking by its members is a valuable public service proper to continue; and

It is not intended to make any remark on that topic. Were it abolished, there would probably be very much less of such matter printed. But the postage on the returns of the census is a heavy burden on the members and the relief of the expense of the transportation and delivery of this franked matter, would enable the Department to sustain itself, though the postage were materially reduced on letters. But if Congress continue to insist on the present rate of postage, it is proper and proper that the letter correspondence, by a reduction on its postage, be relieved from its support; and that provision be made therefor in the same manner that other branches of public service are relieved. The additional demand of public service by the Post Office Department, without compensation, is made this year—that is, the transmission of all the blanks, returns, and correspondence required in taking the census next year—some thousand reams of these blanks are already engaged.

It has been said that the newspaper and pamphlet postage is not in proportion to the cost of their transportation; but it is not to be, therefore, understood that any increase in the postage on newspapers and pamphlets is a sound public policy to promote the circulation of these publications by cheap postage; and it may be advisable to proceed further in this policy, especially in promoting their circulation in the vicinity of the place to which they are to be sent, by the use of the frank.

It would be desirable to have a fixed sum granted from the treasury for this public service as to free matter, and then the postage so reduced and arranged as to provide

for the remainder; but that course is impracticable, as the money from the treasury cannot be drawn until that from postage is first exhausted; and, therefore, the only safe way to make the effect of the law to be, at any time to the full extent, to produce by leaving a balance, to be annually drawn from the treasury, equivalent to the public service performed; and no extent of reduction which does not produce this effect is sufficient, so long as public service is required to be performed free of postage.

What should be the degree or measure of the reduction of postage at this time, is entirely a question to be settled by Congress; but it is proposed respectfully to submit what would be the probable effect of one measure

The most obvious and prominent feature now in our postage is the double price, ten cents, charged on all single letters carried over three hundred miles. The reduction of this ten cent postage, and charging all single letters at

five cents each, would much simplify the manner of accounting, and render the same both more facile and more accurate. The great disadvantage arising from the great difference in the postage in different offices, even in the same vicinity, but separated by this arbitrary line, and would promote and encourage the correspondence and intercourse by mail between the different offices, and would, in the event of its adoption, demand it, in precise proportion as their other means of intercommunication are slow and unrequited.

The next inquiry is, what would be the effect of this reduction on the receipts from postage, and how would it affect the treasury?

It is not possible from any returns or data in the department to ascertain with much precision the number of letters passing annually in the mail under this charge of postage. The only data that the text of the bill itself actually known, it would still be impossible to deter-

mine how many of them were ten cent letters from being double. Thence arises the great difference in the estimate of loss of revenue from such a reduction as was presented in the report of the Postmaster General last year, to wit: \$715,187; and that of the First Assistant, \$2,000,000.

From a careful examination now made of the data in the department, it is estimated that the whole number of charged letters sent through the mails the past year was 62,000,000, and of this number about 15,500,000 were subject to the ten cent postage on account of distance. If, then, the reduction were to bring no more letters into the mail, the diminution of revenue therefrom the first

year would be \$73,940. It is already evident that the surplus on the first day of July 1967 would be \$101,682.70, and that on the first day of July next will be \$88,710.57, which will undoubtedly increase in future years by natural accumulation, and by increase of the number of letters arising from this reduction will, in the first year, occasion no change in the treasury, and it is extremely uncertain whether its operation can ever produce that effect. A brief trial of this experiment will show its effect, and if it should not produce any important draught of the treasury, then the reduction of the number of letters may be made, and corresponding reduction of the treasury adopted until after this has been tested by experiment, is respectfully submitted.

### *Railroad Service.*

This is a constantly increasing service. In the current year, the length of railroad routes is 1,138, miles—being an increase within two years of 149 miles, and it is all the more valuable because new roads are being completed. On these routes the mail is now transported 5,749,040 miles annually. It is true that this service is done with more despatch than the same amount of service in any other way; yet it is at much greater cost. The law of 1845, requiring this service to be classed, and fixing the

maximum compensation, has in some degree reduced the cost. There is one feature of this service which frequently embarrasses the operations of the department. In all the ordinary mail contracts, provision is made that the time of arrival and departure, and connexion of the mails, is subject to the order of the department. This feature has never been admitted by the railroad proprietors to be inserted in their contracts.

It is provided in them that if any change is made with

out their consent, they may abandon the contract. This often deprives the department of the power to make such changes and improvements in the time of the transportation of mails as the public convenience requires, and subjects it to censure by those who know not this circumstance.

*Foreign Mail Service.*

The mail service, by the way of Southampton, to Bremen, has been, under the contract with this department, carried the past year by the steamships Washington and Hamburg, of 8,000 tons each, and the steam amount

realized in postage from that service, for the year ending October 4th, was \$61,114.26. The gross amount from 1st June, 1847, to October 4th 1848, was \$29,082.51.

Notice has recently been received from the proprietors that this service will be suspended until February next, in order to make the necessary repairs now required for the safety of these steamships.

The mail from Charleston via Savannah to Havana, which has been carried by this department, has been carried

under the contract with the department, since the 15th October, 1848, in the steamer Isabel, with a good degree of regularity, at the cost of \$43,098 22. No other foreign mail is carried by contract with this department.

By a contract with the Navy Department, made by direction of law, provision was made for carrying a mail twice in each month between New York and New Orleans, viz: Charleston, Savannah, and Havana, and between Havana and Charleston.

This was entered upon in December, 1845, and has been partially performed. Under a like contract with the Navy Department, steamships are carrying the mails on the Pacific, between Panama and California; one in each month. By a treaty, the government of New Granada is bound to transport the mail across the isthmus. This service, more particularly on the Atlantic and across the isthmus, has been very imperfectly performed, and the

connections have been very unsuccessful. This department has not been able entirely to remedy, the contractors not being within its control. Exertions have, however, been continued, and such arrangements have been made and assurances received as to give a good degree of confidence that, with the co-operation of the Navy Department, the mails will hereafter receive regular despatch through this entire route of great and increasing importance.

By the present organization of the Post Office Department, established in 1930, the mail service in the United States is sustained by appropriations entirely from the money derived from postage.

Congress, by the act of March 3, 1847, entitled "An act providing for the building and equipment of four naval steamships," entered on the policy of encouraging the erection, by individuals, of war steamers, so that on the